



**Councillor Ann McLachlan, Cabinet Member – Transformation, Leisure and Culture, said:**

*“This work highlights the crucial role that our leisure and cultural services play in the day-to-day lives of the residents of Wirral and achieving the pledges in our Wirral 2020 Vision. Unfortunately due to pressures on funding we know that we cannot simply stand still and continue delivering services in the same way we have done in the past. This report provides an update on work undertaken to date and the next phase.*

*There is still a lot of work to do to fully develop a business case to determine the most appropriate delivery model, and I am committed to ensuring this moves on quickly. Ultimately we know that unless we radically reform services in ways such as this then we will be forced into damaging service cuts based on the funding we know we will have available”.*

Councillor Phil Davies informed that Paddy Cleary Wirral UNISON’s Branch Secretary had asked if he could address the Cabinet on this item of business and he had given him permission.

Mr Cleary informed the Cabinet that the report set the Council on the path to re-provision of the associated services. Before any challenge or alternative could be muted the ship had set sail, with a business case expected for June, which was frightening in its speed. Mr Cleary considered that it would be a mistake to not fully scrutinise, evaluate and challenge any recommendations, with input from trade unions, staff, local managers and residents in the various strands and site locations. He informed that this was a worrying time, yet again, for UNISON members and service users alike.

Mr Cleary believed that the information shared from Bates Wells Braithwaite (BWB) had been poor but, even so, they had been allowed to address the Labour Group with their preferred option. He informed that since the first time he had met with BWB, he had consistently requested that data be shared in order to scrutinise figures and allow the trade unions to give a view on any proposals, whether in their infancy or not. The leadership had been clear that UNISON would be involved and have access to the data requested.

Mr Cleary informed that UNISON was presented with a 64 page document just before it was put into the public domain and that was the first time trade union

officials had seen the data and figures that had been used. There had been no sign of the shared intelligence report into libraries that had fed into this, again despite various requests and the belief that this would be ready at the end of 2016. He stated that this had been 'sold' as a standalone piece of work until BWB had come onto the scene and people could draw their own conclusions by the fact that it was not in the public domain.

Mr Cleary reported that currently, approximately £175,000 had been spent on Phase 1 and the shared intelligence report and a further £136,000 was being spent on a consultant to tell us the time on our watch! Once again it was not the first time the Council had been in this position. There have been several reports into the various strands associated within this area at significant cost to Wirral residents. He considered that the timetable was that optimistic that it seemed that it was already a done deal.

Mr Cleary had regard to the report and informed that a clear steer had been given in the executive summary - Financial aspects and access to finance set a clear agenda, but he believed there needed to be a challenge. The consistent message was about the savings that could be made via the VAT status. It was a very risky strategy, given the current Government. He asked whether the 'new' organisation automatically qualified for VAT exemption as a non-profit organisation, saving the £1m a year on VAT. He did not believe this was an automatic entitlement and he did not believe this was guaranteed.

Mr Cleary asked why HMRC had not been challenged about the VAT status of the Council's Leisure Services, like Ealing Borough Council had done to show that this exemption was possible within a public body.

Mr Cleary drew attention to the lack of access to grants and other funding streams which was mentioned in the report and asked for examples. He informed that he had asked repeatedly for them but none had been forthcoming from BWB or our officers associated with driving this initiative. The one example had been VAT and that had been challenged. Mr Cleary also informed that he had examples that had not been pursued. He asked why the Council had not tapped into the Football Association or Sports England and presented cases, for example the playing fields strategy. He also asked why the application had been 'sat on'.

Mr Cleary stated that the report informed about pricing to market and he considered that to be very important. He asked whether the Council charged the correct amount, or if it sold its self-short. He considered that there were clear examples that it did sell its self-short. Mr Cleary informed the Cabinet that he could list plenty of examples as could the staff who constantly 'hit a brick wall' with any recommendations or ideas for income generation.

Mr Cleary said that the report stated working with other agencies and partners alike, yet the chamber tweet about using pure gyms and not the Council's very own provision was baffling. The Council had invested in areas and seen the gains

associated with it. Therefore, the Council should and still could, generate capital receipts and transform the whole package.

Mr Cleary informed that serious decisions needed to be made in order to utilise capital receipts in this way, given the timescale constraints from this Government, but Elected Members needed to make these rather than taking the easy option of putting these services into any form of arm's length company. Social inclusion should be a priority, priced accordingly and staffed with the dedicated provision the Council currently had. The Council really needed to keep these services in-house and utilise the expertise it had to generate income for these services and the residents of the Wirral.

Councillor Davies informed that Alan Small of the Wirral branch of Unite had asked if he could address the Cabinet on this item of business and he had given him permission.

Mr Small raised concerns about the decision taken that Cabinet meetings would be held at 10am on Mondays. He said this effected democracy as many of his members had been unable to demonstrate about what they thought of the proposals or attend the meeting, as they were at work.

Mr Small informed that he considered the report to be biased. It said that no recommendations were being made and then later in the report it recommended that the services did not stay in-house.

Mr Small also informed that he knew from experience of the Council's Leisure Centres that staff could work flexibly. The staff had taken cut after cut and the work force had been reduced. The staff was now more commercially minded and was bring in income but the income streams were not being taken on board. These income streams had doubled in the last couple of years and more investment would generate more income.

Mr Small asked the Cabinet not to waste the opportunity it had and to keep Leisure and Cultural Services in-house.

Councillor Ann McLachlan reported that the purpose of the report was to advise Members of the findings of a recent external review of specific services and to seek approval to develop a Full Business Case for a new service model.

The services within the scope of the review were set out in section three of the report and played a fundamental role in the delivery of a number of Pledges and a whole range of key outcomes across the breadth of the Wirral Plan, but most notably in support of the 'Leisure and Cultural Opportunities for All' Pledge that

"We will encourage more people to enjoy the wide range of leisure, cultural and sporting opportunities on offer across Wirral. We will listen to residents'

ideas and requests, and by 2020, will have increased access to events and activities to all our residents, regardless of age or income”.

Councillor McLachlan informed that the report proposed to move to Phase 2 of this initiative and the Phase 1 Report to the Cabinet attached to the report focused on three models:

- In-house provision
- Charitable Trust
- Community Interest Company

Councillor McLachlan reported that it had been suggested that the in-house option would not be viable but Members had put it back in because they wanted this option examined very thoroughly. She informed that Members were working to a tight timetable because of the Government’s austerity programme. Members had to move quickly but they would thoroughly examine all three options and they did want the unions to be as engaged as they could be.

Councillor McLachlan also informed that BWB was an organisation with an ethical brand. It had been selected partly because of its background of doing this type of work well. The findings of other pieces of work previously carried out had been provided for BWB and they had been told to incorporate this into the work it was undertaking. There would also be some pre-scrutiny work around the future provision of Leisure and Cultural Services and a Task and Finish Group would be established if it was considered necessary.

**RESOLVED: That**

- (1) the findings of the ‘Re-imagining Leisure and Cultural Services’ report, and the services this relates to, prepared by Bates, Wells & Braithwaite (Appendix 1 of the report) be noted; and**
- (2) the Strategic Commissioner for Environment be requested to ensure these findings are given due consideration as part of the options appraisal and development of the Full Business Case for the future provision of specified services, to be reported to a future meeting of Cabinet in June 2017.**